Online vendors' strategies for reaching the end-user: FT PROFILE

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This is the first of a series of articles about different host services' efforts to reach fresh users. The author has recently left the Marketing Department of British Telecom Business Information Services, which is responsible for promoting a portfolio of online databases via BT messaging services. The article places in context this year's launch of Freeway, an offline software package for assisting search of FT PROFILE.

The service and its users

The service

Formerly Datasolve Information Online, FT PROFILE was launched by Thorn EMI in 1982 as a private bureau service providing a full-text news database for journalists and researchers working in the media. Released to the public in January 1983, the original product, World Reporter, consisted of just one file — the BBC Summary of World Broadcasts. Over the next four years new files were added and two further products launched: Magic, which offered a sub-set of the database for the advertising community and World Exporter, which provided export information for the business community.

In 1987 FT PROFILE was acquired by the Financial Times Group. This led to a rapid growth in file acquisition and greater emphasis on the business user, with the launch of a range of business information including market research files, company information, stockbroker reports and files with strong industry coverage. Currently there are 85 files and 5 gateways, with about 12 new files launched annually.

The users

Initially users belonged exclusively to the UK media industry. This group now forms only about 20% of the customer base, with 30% working in the finance industry and 25% in professional services. A further 20% are corporate clients and 5% work in government or education. With the first international distributorship established in 1985, FT PROFILE is now available worldwide, with some 10–15% of usage coming from outside the UK. Currently there are 25 distributors, with the service available in around 35 countries.

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Pre-1991 strategies

FT PROFILE was among the first to establish an active sales force and its proactive approach to marketing, combined with an emphasis on customer support, has enabled it to attract an increasing proportion of the full-text market in Europe, with the service being marketed to both end-users and information professionals. However, the service has always been particularly popular amongst end-users and FT PROFILE took the initiative of extending its promotional activities to non-specialist publications like the *Financial Times* and adopting a promotional 'style' that has always emphasised ease of use and simplicity.

The reason for FT PROFILE's early popularity amongst end-users was twofold. Firstly, natural English commands are used to interrogate the database, rather than a complicated set of precise but opaque commands — thus enabling non-professional users to search the files quickly and simply.

Secondly, the service was unusual in offering full-text files — in the early days online databases tended to be bibliographical and used as directories to guide the user to the source of information, rather than supplying that information online.

With newspapers like *The Guardian* and *The Times* making FT PROFILE directly available to hundreds of journalists *via* ATEX terminals, the service was end-user oriented from day one.

Over time the service attracted other users who had a need for rapid access to news information. This included government departments like the Foreign Office. It also included business users — management consultancies like Price Waterhouse and companies like ICI in need of in-house press cutting services. These new users tended to be information professionals and as business usage grew so did the intermediary market. By the mid-80s up to 80% of FT PROFILE usage was generated by business librarians, consultancies and other re-sellers of information. Nevertheless, FT PROFILE claims to have been more successful in attracting end-users than competing services like Dialog and Data-Star and as we shall see, end-user usage is now on the increase.

Post-1991 strategies

In 1990 FT PROFILE underwent a strategy review. It concluded that although current usage was predominantly generated by information professionals, the end-user market was growing faster and offered greater potential — their share of usage had grown from 20% in the mid-80s, to 35–40%.

Two recent developments encouraged FT PROFILE in this view: increasing computer literacy and growing access to online services via internal networks.

Ten years earlier relatively few end-users had access to a computer and were unlikely to be computer literate. The growth in power and availability of PCs and the evolution of graphical user interfaces, with intuitive, friendly modes of operation implied that a successful mechanism for delivering online services to end-users was now available. Partly as a result of this a number of companies had begun to make online services, including FT PROFILE, available *via* internal networks, allowing end-users to by-pass information departments and access external databases from their own desks.

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Establishing the end-user profile

In order to target these end-users more effectively FT PROFILE examined the characteristics of various user communities making up its customer base and concluded that although government and education users were still important and would remain so, the primary opportunity lay within the business market (including the media). Of course, business users cover a wide spectrum, from the one-man band with a small, sporadic need for information, to the end-user in a huge multinational corporation, with high and regular information needs.

One key community stood out — what FT PROFILE calls the Business Development Community. This comprises people like corporate financiers, mergers and acquisition specialists, management consultants, strategic planners and marketing people, all of whom are heavy consumers of information and require constant access to a large source of up-to-date, accurate information in order to fulfil their role as the 'instant expert'.

At the same time, FT PROFILE segmented its customer base into discrete user communities, with the intention of providing a 'one-stop' information shop for a range of industry sectors and specific job functions by means of customised products.

There remained one potential barrier to a large uptake of online services by end-users — the amount of 'learn time' required to became proficient at searching online databases. To overcome this barrier FT PROFILE saw the need to create a PC-based interface whose operation could be mastered in as little as half an hour. This interface could be also customised to meet the discrete needs of the identified user communities. As we shall see, the interface was to become an important component of FT PROFILE's end-user strategy.

Marketing to the end-user

With the target user communities identified, the next process was to develop a marketing strategy that could deliver them. The obvious first route was *via* the intermediaries. As we have seen, a number of important corporate clients of FT PROFILE had already taken the initiative and made online services available on their internal networks.

Utilising its active account management programme FT PROFILE saw the advantage in encouraging that development further, using intermediaries as a 'conduit' to the end-user market.

However, this is a sensitive area, with many librarians reluctant to cooperate, partly for fear that their departments will lose status, partly in the belief that end-users are insufficiently skilled to make cost-effective use of online databases.

Attitudes vary. Helen Martin, in the library at *The Guardian* believes journalists' information requirements should be handled by the library. "Most journalists search FT PROFILE on a GET air, PICK plane basis," she says, "and they are always too busy to take time out for training."

Susan Walton, information specialist at Baring Brothers, sees it differently. "The person in the best position to do research is the person who needs the information," she maintains. At Baring Brothers there are 35 regular end-users accessing FT PROFILE, with between 65-70 users capable of accessing it.

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Mark Hepworth, Business Development Manager at FT PROFILE

Given this sensitivity it is not surprising that Mark Hepworth, Business Development Manager at FT PROFILE, is keen not to underplay the continuing significance of the intermediary, who, 'will always be incredibly important to our business'.

It was apparent, then, that the planned interface needed to allay the concerns of the information professionals with regard to cost control and effective searching if they were to become an effective conduit to the end-users in their organisations.

One only needs to speak to Susan Walton to appreciate the importance of cost control. Currently Barings incur about £14 000 a month in online charges — "Yet," Susan says, "between a half to a third of those costs are not able to be allocated because we don't know who incurred them."

FT PROFILE'S second route to the end-user anticipates the provision of packaged vertical market solutions — customised versions of Freeway for specific job functions and business communities. For instance, there could be packages for those working in the energy sector, in banking or in the legal professions.

The plan is to promote these packages in trade publications, through professional bodies and associations, by means of conferences and exhibitions and through direct mail activities.

In addition, FT PROFILE is looking to target business decision makers directly in non-specialist publications. This includes inserts in publications like the *Financial Times* and, as a recent experiment, by placing advertisements in magazines like *PC User*.

Customer support

Any strategy to attract end-users requires substantial backup resources for customer hand-holding. FT PROFILE has over time developed an extensive range of customer support services, from telephone hotline and account management programmes to a training disc for new users. And as a sign of its commitment to the end-user FT PROFILE has overhauled its literature: the Quick Card has been augmented with a more substantial Search Guide, with sample searches, hints and tips and a detailed File List (presented in a graphical format) to enable users locate the right files at a glance.

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The User Manual has been updated and comes in a more manageable two-volume format. The Freeway manual exemplifies the new approach. It is slim and clear in layout and its straightforward tutorial style takes the user step-by-step through the operation of the software — a move beyond what Mark Hepworth calls the 'reference manual approach' where you have to know what to look for before you can find it!

Additionally, FT PROFILE has developed a comprehensive, professional training programme. There are now around thirty workshops a month training users on the functionality of the service and about ten seminars a month concentrating on the information available. These are based around particular subjects like Company Information, The Single Market and Market Research Information. The emphasis is on advice regarding specific files and the best ways of searching them. In-house workshops are also available for those companies requiring a group of employees to be trained on the job.

Success so far

How successful is the new strategy? With Freeway only launched recently, it is early days, but with over 500 leads already, FT PROFILE is confident.

The experimental advertisement in *PC User* also generated a healthy number of enquiries, the majority of which clearly were end-users. The number of networked end-user sites is growing dramatically, particularly in the finance area.

The future

Online enhancements

Freeway is obviously a vital component of future development, but what improvements to the service itself are planned to encourage end-users access? FT PROFILE is understandably reluctant to discuss its plans in detail. However, it is likely that the database will become more integrated. This could include some form of common indexing system removing the need to use a different set of codes when switching between, say, the Predicasts file and the McCarthy files.

The necessity of having to select a file may be also removed, with users simply choosing a subject. However, desirable as it may be, it seems unlikely that it will ever be possible to search across the complete set of files held on the database.

There are also plans to enhance the Filefinder facility and it is likely that a new menu-based interface, somewhat on the lines of Data-Star's Focus, will be introduced.

Pricing

Pricing has always been an important issue for online users. In common with other online vendors FT PROFILE has been moving away from charging for connect time, to charging for data accessed — time charges have dropped from £1.60 a minute to 40p a minute. This is a trend welcomed by users. But how much further FT PROFILE is prepared to go is still uncertain.

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Ideas have been floated for reducing or even dropping, the minimum charge, with the possibility of users being charged a set price per article, regardless of length. As yet these are just ideas and no current plans exist to reduce the initial registration fee of £250 or the minimum monthly charge of £50. These, it could be argued, represent a barrier to many end-users.

The international market

As we saw, there are currently 25 foreign distributors of FT PROFILE, covering mainland Europe, the US, the Far East and Australia. By means of ESA-IRS the service is also available in countries like India and China. Access is primarily through distributor gateways. Others dial direct through international data networks.

With international usage expected to grow, FT PROFILE recently signalled a more hands-on approach to its international customer base, establishing offices in Frankfurt and Paris.

With the majority of FT PROFILE's files available only in English, fewer of these international users are likely to be end-users. However, more foreign language files are likely to be introduced in the future, with the recently-launched *Il Sole* being followed by other European newspapers. Hoppenstedt, Promt and McCarthy files also contain some foreign language material.

Freeway — the interface

Freeway is the major plank in FT PROFILE's strategy to grow the end-user market. Running under Microsoft Windows the software is friendly and intuitive, with extensive help available on all screens. Users can choose between an Easy mode and an Expert mode, depending on their expertise.

Freeway includes its own comms software and printing facilities. It also incorporates a cut-and-paste facility allowing the user to import data into a wordprocessor. Searches can be saved easily and can be run at regular intervals, overnight if required. An administrative facility allows a system administrator to set up a number of users, allocating separate passwords and setting cost limits, even where users all share the same FT PROFILE ID.

The purpose of the interface isn't just to make it easier to search FT PROFILE, but to overcome the difficulties end-users can face in undertaking sophisticated searches and of knowing which file to access for the information they need.

Using Freeway it is considerably easier to use the full potential of the service. For example, when searching files like McCarthy and Predicasts, Freeway will list all the codes available and the fields on which you can search. If you try and do anything illegal Freeway tells you, before you go online and start incurring costs.

With searches defined before connecting, online time is reduced considerably. In addition, the software estimates the cost of an article prior to displaying the full text and an on-screen window displays a running total of costs incurred. By allowing an administrator to allocate charges to user passwords and set a cost limit for each password, information departments can be confident of maintaining financial control of their company's online bills.

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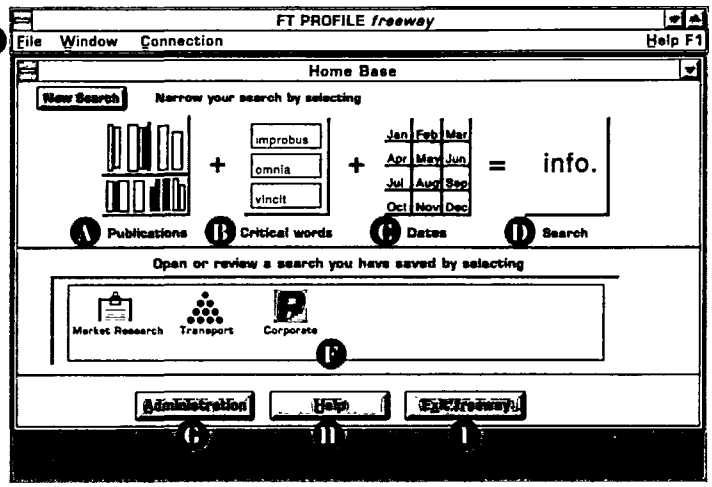
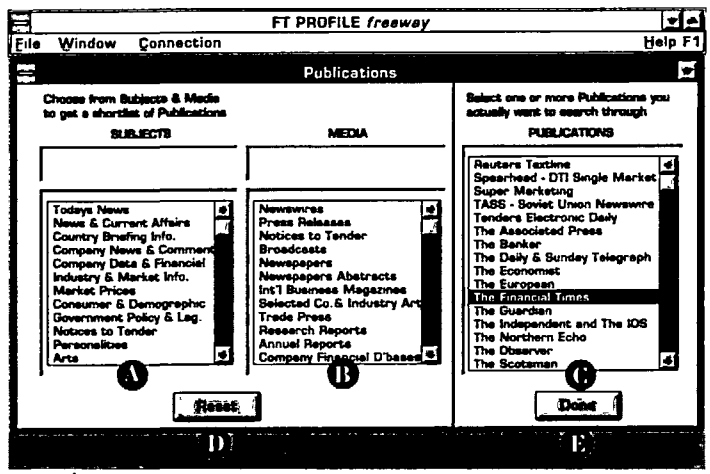


FT PROFILE Home Base Screen

You plan your search from the Home Base Screen. When you have completed any part of your search, you will always return to this screen. To carry out a search, you must choose a publication (or publications) by clicking on the **Publications** *icon and then entering* **critical words**, *having clicked on the* **Critical Words** *icon. Then use* **Info** *when you are ready to connect to FT PROFILE and run your search. If you want to narrow your search further, select* **Dates** *before* **Info** *by clicking on the* **Dates** *icon. A – Publications icon; B – Critical Words icon; C – Date icon; D — Info icon; E – Menu Bar; F – Saved Search icon; G – Administration icon; H – Help icon; I – Exit freeway.*



Where to search and how to choose publications

Before asking the software to retrieve articles you must specify where you want to search. From the **Home Base Screen** *clicking on the* **Publications** *icon gives you the* **Search Publications Screen.** *Choosing a publication is done by clicking once on a publication (or up to 7 publications) in the right hand Publications box. However, if you are not sure which publications to choose, click on a subject in the left hand box and a list of recommended and alternative publications will then be shown in the right hand box. If you want a certain media or type of publication, click on* **Media** *in the middle box. A – List of subjects available; B – List of types of publication available; C – List of publications available; D – Click once on reset to return to original list; E – Click once on Done when you have made your selection.*

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Running a search is a four step process, managed from the Homebase menu.

— you define the sources you wish to search on the Publications menu, with Freeway prompting you with the sources available and a list of subjects and media;

— you select a number of search terms on the Critical Words menu, with a clear graphical representation that allows you to combine up to three AND and three OR statements;

— you set a date range on the Date menu;

— you launch the search by clicking on the Info icon.

Freeway then logs on and undertakes the search. Although the user cannot see what is happening until the search is complete he or she is kept informed of progress. Once the search is complete the user can look at the headlines and tag any items he or she wishes to download.

Expert mode allows full Boolean searching, with search strategies displayed in a graphical format, showing how they relate to one another and easily edited on-screen.

As mentioned above, it is planned to produce customised versions of Freeway to meet the needs of vertical markets. For instance, at present all the publications available on FT PROFILE are listed on Freeway — a customised package for the insurance industry, say, needs only list those sources of relevance to that industry, reducing the 'noise' of a seemingly endless list of irrelevant publications. With international usage growing a foreign language version of Freeway is also anticipated.

Freeway has a high specification, requiring an IBM or compatible 386 PC with 4Mb of RAM, Microsoft Windows version 3.0 or later, a modem and a mouse. This will limit the numbers who can use it. However, there are plans to release a DOS version later in the year.

The end-users

To get a clearer picture of who these end-users are I spoke to Jitesh Gadhia, an executive in the corporate finance department of the merchant bank, Baring Brothers and Dwight Mighty, a manager at the venture capitalists, Midland Montagu. Both access a number of databases, including FT PROFILE, *via* an internal network.

Both users fit the business development community profile identified by FT PROFILE. Both have constant need for information — Jitesh is online to FT PROFILE for between half an hour to an hour and a half each day, looking for information that will help him advise clients, primarily in connection with mergers and acquisitions activity. He acknowledges that direct access may be more costly, not because his use of FT PROFILE is any less efficient, but simply because it's permanently available on his desk. However, he cannot envisage being able to carry out his job efficiently without having instant access to financial information and comment on companies, industries and sectors. With a need to allocate costs to his clients, the cost control and monitoring facilities of Freeway, due to be installed at Baring Brothers in the near future, will be welcomed wholeheartedly.

Dwight, who has to advise on venture capital decisions, needs to undertake regular research on companies and markets. Again, he feels direct access to FT PROFILE is essential in his job because speed is such a vital factor. He already uses Freeway, and he likes it. He likes being able to do most of the search offline, which reduces his costs.

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With a need to monitor companies on a regular basis, he also likes the ability to run regular overnight searches with Freeway. However, on occasions he still accesses FT PROFILE without Freeway as he feels that for very specific searching Freeway is less useful and he finds the Expert mode too confusing.

Conclusions

FT PROFILE was among the first to harness the end-user market and it believes that it is still making the running. What put it ahead, the company maintains, was a simple online interface, an early specialisation in full-text sources and its mix of information sources. This, it says, is particularly suited to the end-user — good generalist coverage offering a set of useful and related files, without the plethora of specialist material that can seem so daunting to the non-professional when accessing large hosts like Dialog and Data-Star.

With the PC-based interface, Freeway, FT PROFILE claims to have created a flexible, friendly package providing a platform from which to grow substantially the end-user market.

At the same time the company is keen to emphasise that it will continue to cater for intermediaries. It anticipates a 'switch over' where end-user usage grows to the point at which it becomes the larger proportion of database usage.

One can anticipate some hurdles. For instance, if intermediaries are to be encouraged to recruit end-users it will inevitably require some re-negotiation of the role of corporate information departments. Clearly this is not a problem for enlightened departments in organisations like Baring Brothers, which are only too keen to facilitate end-user access to online services.

Many librarians however, are suspicious and concerned about a growing lack of status. With the delivery of information products to end-users being taken on increasingly by an organisation's IT department this concern is likely to be exacerbated.

In any case, one is bound to wonder whether FT PROFILE's policy of using intermediaries as a conduit to the end-user won't simply convert intermediary accounts into end-user accounts, without a substantial growth in the market. Would Baring Brothers be spending £14 000 a month on online usage regardless of whether this was incurred by the information department or the end-users themselves? One also wonders how large a market the business development community represents.

Another challenge surely must be that of successfully reaching the vertical markets identified by FT PROFILE. It has yet to be proven that advertising in trade magazines can be a cost-effective method of recruiting sufficient numbers of online users.

It could be argued that the real end-user market equates with a mass market, which will be tapped only when hundreds of thousands of people with an occasional need for information are prepared to log into services like FT PROFILE and pull down the information they need.

With the development of Freeway and increasing computer literacy the 'learn barrier' is less of a problem. However, so long as online vendors continue to impose high upfront registration fees and minimum monthly billing there is likely to be a limit to substantial growth. One might also anticipate the need for a general reduction in the cost of online information before a substantial end-user market is established.

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